

**GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS**

**LOK SABHA
UNSTARRED QUESTION NO.193
TO BE ANSWERED ON 16TH NOVEMBER, 2016**

SPECTRUM AUCTION

193. SHRI C. N. JAYADEVAN:
SHRI SUSHIL KUMAR SINGH:
SHRI R. DHRUVA NARAYANA:
SHRI MULLAPPALLY RAMACHANDRAN:
SHRIMATI KAVITHA KALVAKUNTALA:
SHRI K. ASHOK KUMAR:
SHRI C.N. JAYADEVAN:
SHRI BHEEMRAO B. PATIL:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) the details of revenue earned by the Government through auctions of spectrum conducted during the last six years, auction-wise including targets fixed and results achieved;
- (b) the details of the recently conducted auction, along with number of participants, quantum of airwaves put on sale and upfront payments received by the Government;
- (c) whether the auction ended well below the target and there were no takers for premium 700 MHz. and 900 MHz band of spectrum;
- (d) if so, the details thereof and the reasons therefor; and
- (e) the steps taken by the Government for better outcome in the next auction along with the time frame for the next auction and the spectrum likely to be put on auction with estimated revenue target?

ANSWER

**THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)**

- (a) The details of revenue earned by the Government through auctions of spectrum during last six years are as follows;

S.N.	Auction Year	Revenue Realization (Rs. in Cr.)			Balance to be realized on 10 installments after giving 2 year moratorium @ prevailing bank interest rate			
		Total	Minimum Upfront due	Actual Received	Annual Installment	Interest rate	Start Year of Installment	End Year of Installment
1	2010	106262	-	106262	Nil	-	-	-
2	2012	9408.00	3104.52	5557.00	744.00	9.75%	2015-16	2024-25
3	2013	3639.00	909.87	Nil *	390.00	9.75%	2015-16	2024-25
4	2014	61162.00	-	18267.00	8352.00	10%	2016-17	2025-26
5	2015	109875.00		32377.85	15133.00	10%	2018-19	2027-28
6	2016	65789.12	31988.69	32434.10	6291.41	9.3%	2019-20	2028-29

*March 2013 Auction- Minimum upfront amount due Rs.909.87 Cr & Set-off given Rs.1626.32 Cr, Net upfront amount received NIL.

Contd....2/-

As regards auction-wise target fixed and result achieved, it is submitted that as such no specific targets were fixed from spectrum auction. Only Reserve Price (RP) of each band of spectrum in each Licensed Service Area (LSA) put to auction, had been fixed by the Govt. on the recommendation of TRAI.

However budgetary target projection by DoT can be taken as the revenue target from spectrum auction.

The year-wise figures of revenue projection by DoT for budget purpose and actual revenue realization against that target are as follows:

Sl. No.	Year	DoT Target Projection (Rs. in cr.)	Achievement (Actual Receipts) (Rs. in cr.)
1.	2011-12	13000	Nil
2.	2012-13	40000	1722.24
3.	2013-14	11343	18267.18
4.	2014-15	Nil	10791.08
5.	2015-16	16000	21587.00
6.	2016-17	34,586	32434.10

- (b) the details of the recently conducted auction, quantum of airwaves put on sale and upfront payments received by the Government are as under:

Sl. No.	Band (MHz)	Spectrum put to auction on sale (MHz)	Spectrum sold (MHz)	Upfront payments received (Rs. in cr.)
1.	700	770.00	0.00	0.00
2.	800	73.75	15.00	905.87
3.	900	9.40	0.00	0.00
4.	1800	221.60	174.80	9,337.37
5.	2100	360.00	85.00	8,420.00
6.	2300	320.00	320.00	7,900.06
7.	2500	600.00	370.00	5,870.80
Total*		2354.75	964.80	32,434.10

* The details enclosed as ANNEXURE

Total number of Participants were 7 i.e. 1. M/s Reliance JIO, 2. M/s Bharti Airtel, 3. M/s Idea Cellular, 4. M/s Vodafone, 5. M/s Tata Teleservices, 6. M/s Reliance Infocomm. & 7. M/s Aircel.

(c) & (d) No bid was received in any of the 22 LSAs and 4 LSAs in 700 MHz and 900 MHz bands respectively. Absence of ecosystem in 700 MHz band including the non-availability of devices together with industry perception of high reserve price appear to be the main reason for no bids in the 700 MHz band. Availability of small blocks of spectrum in 900 MHz band resulted in no bids in this band. In addition, companies appeared to be preserving cash to protect market share in the days to come.

- (e) No such steps finalized yet.

ANNEXURE

(Item no. (b) of Lok Sabha Question Diary No. 3 for 16-11-2016)

Sl. No.	Band (MHz)	Total Spectrum Put to Auction			Auction Result: Spectrum Sold				Upfront payment (Rs. in Cr.)		
		No. of LSA	Quantum (MHz)	Value at RP (Cr.)	No. of LSA	Quantum (MHz)	Value at RP (Cr.)	Value at SP (Cr.)	Minimum Due	Actual Received	Excess Recd.
1	700	22	770.00	4,01,975.00	0	0.00	0.00	0.00	0.00	0.00	0.00
2	800	19	73.75	26,126.25	4	15.00	3165.00	3,623.49	905.87	905.87	0.00
3	900	4	9.40	5413.80	0	0.00	0.00	0.00	0.00	0.00	0.00
4	1800	21	221.60	24,647.20	19	174.80	17341.60	18,493.91	9,246.96	9,337.37	90.41
5	2100	22	360.00	63,345.00	12	85.00	16140.00	16,140.00	8,070.00	8,420.00	350.00
6	2300	16	320.00	15,200.00	16	320.00	15200.00	15,790.12	9,895.06	7,900.06	5.00
7	2500	22	600.00	30,680.00	20	370.00	11740.00	11,741.60	5,870.80	5,870.80	0.00
	Total	126	2354.75	5,67,387.25	71	964.80	63,586.60	65,789.12	31,988.69	32,434.10	445.41
